



# *Disciplinary Orders and Regulatory Decisions*

**DATE PUBLISHED: 5 JULY 2017**

## **Disciplinary orders**

### Disciplinary Committee tribunal orders

1	No publicity of name	3 - 7
2	Mr Patrick Alexander Howe Morrello ACA	8 – 14
3	Mr Thomas Richard James Williams [FCA]	15 – 18
4	Mr Doyran Allen David Pawlyn [FCA]	19 – 20
5	Mr Andrew Richard Nicholson	21 – 23
6	Mr Andrew James Wilson FCA	24 – 26

### Cessation of Membership

7	List of members who have been cessated from membership	27
---	--	----

### Investigation Committee consent orders

8	Mrs Catherine Elizabeth Smith	27
9	Edwards Accountants (Midlands) Limited	27 – 28
10	Mr John Graham Hart Stuckey FCA	28
11	Crowe Clark Whitehill LLP	28 - 29
12	Mr Martin Regan FCA	29
13	Mr Richard Austin ACA	29 – 30
14	Mr Brian Michael O’Leary FCA	30

**Regulatory orders**

Audit Registration Committee

15	J.W. Ridgeway & Co	31
16	Latham Costa Limited	31
17	Wilds Ltd	31

## DISCIPLINARY COMMITTEE TRIBUNAL ORDERS

**1 A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 16 May 2017**

**Type of Member** Member

### Terms of complaint

Between 1 February 2013 and 7 November 2013, 'X' engaged in public practice without holding a practising certificate, contrary to Principal Bye-law 51a.

X is therefore liable to disciplinary action under Disciplinary Bye-law 4.1.c.

Disciplinary Bye-law 4.1.c states the following:

4.1. A member or provisional member shall be liable to disciplinary action under these bye-laws in any of the following cases, whether or not he was a member or provisional member at the time of the occurrence giving rise to that liability,

c. if he has committed a breach of the bye-laws or of any regulations or has failed to comply with any order, direction or requirement made, given or imposed under them.

### Hearing date

16 May 2017

### Previous hearing date(s)

None

**Pre-hearing review or final hearing** Final Hearing

**Complaint found proved** Yes in part

**All heads of complaint proven** Yes in part

**Sentencing order** No sanction  
Costs £1,500

### Procedural matters and findings

**Parties present** X

**Represented** 'A', a solicitor, represented X  
Ms Thorp represented the IC

**Hearing in public or private** The hearing was in public

## Decision on service

In accordance with regulations 3-5 of the Disciplinary Regulations, the Tribunal was satisfied as to service

## Documents considered by the tribunal

The Tribunal considered the documents contained in the Investigation Committee's (IC's) bundle together with a witness statement from X and supporting documents

## Issues of fact and law

1. On 4 January 2013, ICAEW received a complaint that X, the Defendant, was describing himself as the 'owner' of an accountancy firm (the "**Firm**") on LinkedIn. At the time, the Firm was in fact owned by a family member 'Y', who was the sole proprietor of the business.
2. X became a member on 4 January 2013. A member is not usually eligible to apply for a practising certificate until they gain two years post qualification experience. However, applications before this time can be considered in exceptional circumstances. Therefore, X would ordinarily have been eligible to apply for his practising certificate on 4 January 2015.
3. The Firm was registered at the relevant time with ICAEW in Y's name. However, X explained in his written representations that because of his family member's illness he considered it necessary to describe himself as running the Firm; he confirmed that he began to refer to himself as the owner of the Firm only after he became a member of ICAEW in January 2013. He explained that he was waiting until he was able to apply for his practising certificate after two years of full membership in order to take over the Firm from his family member.
4. The first screen shot from LinkedIn was received with the complaint on 4 January 2013. This showed X holding himself out as an owner of the Firm. Sometime, between 4 January and 7 February 2013 he altered his LinkedIn profile now holding himself out to be a partner and owner.
5. On 22 April, the IC wrote to X to say that he needed to change his LinkedIn entry and obtain a practising certificate. X amended his profile on receipt of the April letter, the next day, 23 April, and removed the reference to himself as 'partner' and 'owner'. He explained that he had been working for many years toward the moment he became a member and had not thought this through properly.
6. He said he had spoken on the phone to a case manager at the ICAEW and was reassured that this matter was no longer a problem from the regulator's point of view. He asserted to the Tribunal that having changed the LinkedIn profile in April, he did not change it again.
7. However, when the senior case manager (regulation and compliance) checked his LinkedIn profile again on or around 7 November 2013, she gave evidence in her witness statement that X's profile again described him as a partner of the Firm. Given that she made the witness statement two and half years after the events and she had no independent recollection of her actions, she relied on a file note on the Case Management System which recorded that she had looked at LinkedIn. This file note was provided to the tribunal on the day of the hearing. It was explained that this emanated from a request from the Investigating case manager to herself as senior case manager. Her response was attached at page 2 and was undated and no screen shot was attached. She told the Tribunal that the response was made on 7 November 2013. This stated "[X] is still showing himself to be a partner in [the Firm] on his LinkedIn profile. Can we go back to him and ask why this hasn't yet been changed?"

8. From further enquiries made during the hearing, it appeared that the Investigating case manager may not have checked the LinkedIn profile himself before writing to X on 26 November 2013. The senior case manager told the Tribunal in oral testimony that in her view the Investigating case officer should have checked and taken a screen shot of the profile. This case officer no longer worked for ICAEW.
9. X's representative argued that it was inherently unlikely that the senior case manager's evidence was correct that the profile had claimed X was a partner/owner. He pointed out that for him to have changed the profile again after April to revert to a position of then knowingly being in breach, would have been wholly inconsistent with his earlier honest response to when the profile was first checked in April 2013. It was suggested that this would be extremely stupid given that there was an ongoing ICAEW case.
10. A further matter which came out during the hearing was that there were in fact three members of X's and Y's family with LinkedIn profiles. One of the three worked at another accountancy firm which also contained X's and Y's family name in its name. X's representative suggested that the senior case manager could have been mistaken and viewed the wrong LinkedIn profile. The senior manager was apparently dealing with 300 cases at any one time and this had not been her own case.
11. The Tribunal formed the view that the senior case manager could have been mistaken and in the absence of a screen shot of the LinkedIn profile as of 7th November 2013 and given the IC bears the burden of proof in this regard, they concluded that X had not changed his profile. The panel deemed there was insufficient evidence to show that X had changed his profile back to show partner or owner after 23 April 2013.
12. On 26 November 2013, the Investigating Case Manager wrote to X, pointing out that X was continuing to describe himself on LinkedIn as a 'partner' at the Firm. X told the Tribunal that he had telephoned the case manager on a date he cannot remember. He reported that the case manager said it was not there. There was however no file note of the call.
13. On 25 February 2014, a new printout was obtained of X's LinkedIn page, confirming that his profile did not describe him as a 'partner' or 'owner' of the practice.
14. X sent in his application for a practising certificate on 23 June 2014. The application was approved on 8 August 2014 to commence on 1 October 2014 once Y had retired on 30 September 2014. The Tribunal took into account that X did not need a practising certificate until the retirement of his family member when he became an owner and partner.

### **Investigation Committee submissions**

15. Principal Bye-law 51a requires a member who engages in public practice to hold a practising certificate. The current Council Statement on Engaging in Public Practice became effective from 1 January 2008. As per the Council Statement, a member will be regarded as being engaged in public practice if he is a principal in a public practitioner (being an entity which provides accountancy services to clients in anticipation of reward).
16. The definition of a 'principal' in the Council Statement on Engaging in Public Practice in paragraph 4 is 'an individual in sole practice, a person who is a partner (including both salaried and equity partners), a member of a limited liability partnership, a director or a trustee regardless of the role of the member as a principal in that entity or any individual who is held out as being a principal'. X held himself out on LinkedIn as a principal of the Firm during the relevant period.

17. The definition of a 'public practitioner' in the Council Statement on Engaging in Public Practice in paragraph 4 is 'an entity which provides accountancy services to clients in anticipation of reward where, a) a substantial part of the activities of that entity is the provision of such services and b) if the entity is part of a group, a substantial part of the activities of the group is the provision of such services'.
18. The Firm provides general accountancy and taxation services for companies, partnerships and individuals. It is as such a public practitioner.
19. It was submitted by the IC that this was not an inadvertent breach. It was said that X would be likely to have been concerned that he was not getting referrals after the first amendment and that this could be the motivation for changing the profile back. Whilst sympathetic to his family position, this was not an excuse. This was not a defence to a breach of Bye-law 51a. He has accepted he was in breach and therefore the complaint should be found proven.

### **X's submissions**

20. X accepted that he was in "technical breach" of Principal Bye-law 51a, between 1 February 2013 and 23 April 2013 and that he had stated on his LinkedIn profile that he was the "owner/partner" of the Firm. He maintained however that he had not practiced in public or done any accountancy related work during that period.
21. He maintained that it was not in the interest of the public or the profession for him to face a hearing for the following reasons:
  - a) He had not been aware that he was in breach of the ICAEW rules.
  - b) As soon as he became aware of the breach he corrected his LinkedIn profile i.e. on 23 April 2013. He had reacted honestly. He had been young and naive and had not intended to flout the rules.
  - c) It was argued that the reason this had come before the Tribunal was that the ICAEW:-
    - (a) had been under the impression that he had been holding himself out for a lot longer period than was actually the case; and
    - (b) believed that he should have had a practising certificate between 1 February 2013 and 21 August 2014 but did not correct this until October 2014. This however was irrelevant to the complaint and failed to recognise his reason for not applying any earlier.

### **Conclusions and reasons for decision**

22. The Tribunal found the complaint proven in part on his own admission. X engaged in public practice between 1 February 2013 and 23 April 2013 without holding a practising certificate, contrary to Principal Bye-Law 51a and therefore was in breach of Disciplinary Bye-law 4(1)(c). The Tribunal found that X had not, for the reasons set out in the factual findings above, engaged in public practice for the remainder of the period 23 April to 7 November 2013. It accepted that he had remedied the position on 23 April and had not re-amended his profile subsequently such that he was not in further breach.

## **Matters relevant to sentencing**

23. The Tribunal had regard to its Guidance on Sanctions.
24. The Tribunal took the view that the IC had obfuscated the situation by linking the need for the practising certificate with the actual complaint which was founded upon X's holding himself out on LinkedIn to be a partner/owner in a public practitioner entity.
25. It was clear that had the ICAEW not formed the view that X had amended his profile at some point between April and November to show himself as a partner/owner, the matter would have been either dropped or he would only have faced a complaint for the short period of 1 February 2013 to 23 April 2013. The IC, if it had got that far, would have taken into account that he had remedied the breach as soon as brought to his attention and likely have offered an unpublicised caution plus costs. The Tribunal understood why X had chosen to defend this complaint, given the circumstances and that the period of alleged breach was far longer than had actually been the case.
26. X did not have a disciplinary record. The Tribunal also concluded that the breach had been wholly inadvertent.
27. In these circumstances and acknowledging that X had had these matters hanging over his head for such a long time (which it was explained had been a cause of some distress), the Tribunal decided that it should not impose any sanction. That was not to say however that X had done no wrong – he had held himself out to be a partner/owner on LinkedIn when he did not have a practising certificate, in breach of the rules, and so had fallen below the standards expected of a chartered accountant.
28. Given that there had been a breach of professional requirements and therefore some regulatory investigation and action had been warranted, he should contribute towards the IC costs and pay the sum of £1,500.

## **Sentencing Order**

29. The Tribunal did not impose any sanction. X was ordered to pay £1,500 costs.

**Non Accountant Chairman**

Ms Mary Kelly

**Accountant Member**

Mr Mike Ranson FCA

**Non Accountant Member**

Mr Ron Whitfield

**Legal Assessor**

Ms Melanie Carter

**013110**

**2 Mr Patrick Alexander Howe Morrello ACA** of  
Slade & Cooper Ltd, 46-50 Oldham Street, MANCHESTER, M4 1LE.

**A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 11 April 2017**

**Type of Member** Member

**Terms of complaint**

1. On 4 February 1995 Mr P Morrello ACA assaulted Mr 'A' by headbutting him in a bar. He was subsequently convicted of common assault by beating.
2. On 26 April 1997 Mr P Morrello ACA whilst at an anti-vivisection rally in Oxford, was aggressive to police and threw a bucket of flowers, which struck a police officer. This resulted in a conviction for Criminal Damage and Section 4 Public Order, on or around 28 November 1997
3. Between 1 February 1995 and 15 June 2015, Mr P Morrello ACA failed to report to ICAEW Head of Staff, that he had been:
  - a. Convicted of the offence of Common Assault against Mr 'A' on the 7 June 1995;
  - b. Convicted of the offences of Criminal Damage and Section 4 Public Order on or around 28 November 1997; and
  - c. Sentenced to a period of imprisonment of three months on 28 November 1997

Mr Patrick Alexander Howe Morrello is therefore:

- a. liable under head 1 and 2 to disciplinary action under Disciplinary Bye-law (DBL) 4.1.a1
- b. liable under head 3 to disciplinary action under Disciplinary Bye-law (DBL) 4.1.c2

1 ...in the course of carrying out professional work or otherwise he has committed any act or default likely to bring discredit on himself, the Institute or the profession of accountancy;  
2 ... he has committed a breach of the bye-laws or of any regulations or has failed to comply with any order, direction or requirement made, given or imposed under them;

**Hearing date**

11 April 2017

**Previous hearing date(s)**

None

**Pre-hearing review or final hearing** Final Hearing

**Complaint found proved** Yes

**All heads of complaint proven** Yes

**Sentencing order**  
(i) severe reprimand  
(ii) costs of £3,000 to be paid by 12 instalments of £250 each starting on 1 June 2017.

## Procedural matters and findings

<b>Parties present</b>	Mr Patrick Alexander Howe Morrello The Investigating Committee (“IC”)
<b>Represented</b>	The IC was represented by Mr James Francis
<b>Hearing in public or private</b>	The hearing was in public
<b>Decision on service</b>	In accordance with regulations 3-5 of the Disciplinary Regulations, the tribunal was satisfied to service
<b>Documents considered by the tribunal</b>	The tribunal considered the documents contained in the IC’s bundle together with Regulation 13 answers and eight letters of support provided by Mr Morrello together with Mr Morrello’s CPD record for the last twelve months.
<b>Findings on preliminary matters</b>	None

## The Investigation Committee’s (IC’s) case

### 1. Introduction to the formal complaint

- 1.1 The defendant was admitted to membership on 1 January 1991. He obtained a practicing certificate on 1 February 1993.
- 1.2 On 4 February 1995 the defendant head-butted a man in licenced premises in Oxford. On 7 June 1995 the defendant pled not guilty to Common Assault in respect of this behaviour. The Magistrates’ Court found him guilty. He was fined, ordered to pay compensation and costs.
- 1.3 The defendant appealed the conviction to the Crown Court. On 23 October 1995 the Crown Court dismissed the appeal.
- 1.4 On 26 April 1997 the defendant attended an anti-vivisection demonstration in Oxford. At the demonstration he shouted aggressively at police. He picked up a bucket of flowers and threw it at police and the defendant reports a female police officer got water on her.
- 1.5 On 28 November 1997 the defendant pled guilty to an offence under Section 4 Public Order Act 1986 and criminal damage. At the Crown Court he was sentenced to a total of 3 months imprisonment.
- 1.6 On 5 September 1998 the defendant’s practicing certificate ceased and he went to work outside the profession for about a year. On 19 April 2013 the defendant was granted another practicing certificate. On 15 June 2015 the defendant reported his convictions to ICAEW also acknowledging that he had failed to report these matters.
- 1.7 The Investigation Committee submit:

1. The defendant's behaviour was likely to bring discredit on him, the Institute and / or the profession of accountancy.
2. The defendant breached DBL 9 when he failed to report:
  - a. His conviction for common assault; and / or
  - b. His conviction for criminal damage and Section 4 Public Order and the resulting sentence of imprisonment.

Accordingly, he is therefore liable to disciplinary action.

## 2. **Head one and two of the formal complaint**

2.1 As the defendant's convictions were between 20 and 17 years old when reported, ICAEW were unable to obtain evidence upon which the convicting courts relied. The following facts can be independently verified from records supplied by the defendant:

1. On 7 June 1995 Thame Magistrates' Court convicted him of Common Assault on Mr 'A' on the 4 February 1995. This offence occurred in licenced premises; and
2. On or around 28 November 1997 he was convicted at Oxford Crown Court of Section 4 Public Order 1986 and Criminal Damage. He was sentenced to a total of 3 months imprisonment.

2.2 The facts that underlie all convictions come from the defendant. There are no court papers. The Investigation Committee relies entirely on the defendant's admissions on the nature of his offending.

### 2.3 **Common Assault on Mr 'A' 4 February 1995**

The defendant says he was commiserating the death of a friend in an Oxford Bar. Police National Computer (PNC) records indicate it was 'B' Bar in Oxford. The defendant says he was drunk. He head-butted one of two men he says were mocking his friend. The police were called by persons unknown and he was arrested. He denied the offence but was convicted after trial.

2.4 PNC records indicate the defendant appealed the conviction to Oxford Crown Court on the 23 October 1995. The appeal was dismissed and costs were ordered.

### 2.5 **Section 4 Public Order Act 1986 and Criminal Damage: 26 April 1997**

The defendant says he attended an anti-vivisection demonstration in Oxford. PNC records show the offence took place in The Covered Market in Oxford. The defendant says he was shouting aggressively at police at the demonstration. He picked up a bucket of flowers from outside a flower shop and threw it at the police. A female officer got water on her. He was arrested. PNC records show he was sentenced on or around 28 November 1997 to a total of three months' imprisonment at Oxford Crown Court.

### 3. **Head three of the formal complaint**

#### 3.1 DBL 9.1 states

*Any person may bring to the attention of the head of staff any facts or matters indicating that a respondent....may have become liable to disciplinary action under these bye-laws or an investigation and discipline scheme and it is the duty of every member, where it is in the public interest for him to do so, to report to the head of staff any such facts or matters of which he is aware*

#### 3.2 DBL 9.2 states

*In determining whether it is in the public interest for a member to report any such facts or matters under paragraph 1 regard shall be had to such guidance as may from time to time be issued by the Council*

#### 3.3 In the current iteration of guidance issued by Council pursuant to DBL 9.2 paragraph 5 states:

*“For the purpose of Disciplinary Bye-law 9.1 and 9.2 it is in the public interest that a member’s conduct should be considered by the Investigation Committee wherever a member or provisional member has or may have:*

\*\*\*

- iii. been convicted of an offence for which he or she has received a custodial sentence; whether suspended or not”.

#### 3.4 The defendant reported his misconduct on the 15 June 2015. He accepts he failed to report these matters at the time.

### 4. **Investigation Committee’s submission**

#### 4.1 **Facts under head one and two of the formal complaint**

The Investigation Committee bring these two heads of complaint on the admissions of the defendant, supported by criminal convictions.

#### 4.2 DBL 7.4b states that a finding of fact in criminal proceedings before a court of competent jurisdiction shall for the purposes of these bye-laws be prima facie evidence of the facts found.

#### 4.3 In application to head one of the complaint, the defendant was found guilty after trial of an assault. On his admission this involved a head-butt. The conviction and the defendant’s admission operate together to prove the behaviour.

#### 4.4 In application to head two of the complaint, the defendant admitted his guilt and was convicted before the Crown Court of two offences. Together these offences describe the behaviour the defendant admits. In particular the offence wording under Section 4 Public Order Act 1986 is:

#### **4 Fear or provocation of violence.**

*(1) A person is guilty of an offence if he —*

*(a) uses towards another person threatening, abusive or insulting words or behaviour, or*

*(b) distributes or displays to another person any writing, sign or other visible representation which is threatening, abusive or insulting,*

*with intent to cause that person to believe that immediate unlawful violence will be used against him or another by any person, or to provoke the immediate use of unlawful violence by that person or another, or whereby that person is likely to believe that such violence will be used or it is likely that such violence will be provoked.*

#### **4.5 Discredit under head one and two of the formal complaint**

The Investigation Committee submits that the defendant has committed acts likely to bring discredit on himself, the Institute or the profession of accountancy.

4.6 It is accepted that the defendant's conduct here is not 'in the course of carrying out his professional work'. However, it is otherwise conduct which is sufficiently deplorable to be likely to bring discredit.

4.7 The Investigation Committee submits the behaviour underlying the defendant's conviction/s is shameful conduct, unbecoming of a professional accountant. Considered objectively in the estimation of right thinking people the conduct is likely to bring discredit on him, the Institute or the profession.

4.8 Notwithstanding the generality of that submission the Investigation Committee submit the defendant's conviction for criminal damage is conclusive evidence of misconduct on application of DBL7.1.

#### **4.9 Criminal Damage and conclusive evidence of misconduct**

**Section 17 and Schedule 1 paragraph 29 Magistrates' Court Act 1980** describe criminal damage as an offence triable either way. Accordingly, it is an indictable offence which is conclusive evidence of misconduct under DBL4.1.a in accordance with DBL7.1.

#### **4.10 Head of complaint three.**

The Investigation Committee submits the defendant failed to report matters that plainly should have been reported in accordance with DBL9. When the defendant self-reported he acknowledged he should have reported these matters at the time.

4.11 Notwithstanding the generality of that submission, a duty to report arose in relation to the defendant's sentence of imprisonment on or around 28 November 1997. It is submitted this placed an obligation on the defendant to report his conviction and sentence contemporaneously. Having failed to report for a minimum period of 17 years the defendant is liable to disciplinary action under DBL4.1.c.

## **The Defendant's Response**

5. The defendant accepted the facts of the case as set out by the IC and admitted all three heads of complaint.
6. The defendant accepted that he is liable to disciplinary action under each of the three heads of complaint.

## **Conclusions and reasons for decision**

7. Having considered all the facts and matters put before it and the admissions made by Mr Morrello the tribunal finds all heads of complaint proven on the defendant's own admission and that Mr Morrello is liable to disciplinary action.

## **Matters relevant to sentencing**

8. The tribunal considered the *Guidance on Sanctions*. The starting point in respect of a breach of DBL 4.1.a which arises from a conviction leading to a sentence of imprisonment is exclusion even where the offence was not committed in a professional capacity. There is also a further conviction albeit one which did not result in a prison sentence. In addition failure to report the convictions is a breach of DBL 9 leading to liability to disciplinary action under DBL 4.1.c which is also a very serious matter.
9. In respect of the failure to report, the breach is aggravated by Mr Morrello's failure to report over the considerable period of 17 years. Furthermore he failed to report in circumstances where he had been advised by his employers to report and had not done so.
10. However, the tribunal has noted very considerable mitigation arising from Mr Morrello's circumstances. The tribunal has considered Mr Morrello's personal history and its impact on his behaviour in the period when the offences occurred. The tribunal has seen, in particular, medical evidence clearly supporting Mr Morrello's own evidence explaining the problems and difficulties he was living through and the effects upon him.
11. Mr Morrello readily accepts that he is culpable for having failed to report his convictions for so long, but the tribunal recognises the extreme difficulties which Mr Morrello has faced in addressing his painful personal history.
12. Mr Morrello's integrity is addressed in correspondence provided by all the partners in the firm which employs him and in eight additional letters of support from family and clients. The support provided in this correspondence is clear and consistent.
13. Having considered the nature and seriousness of Mr Morrello's conduct and having taken both aggravating and mitigating factors into account it is the tribunal's decision that Mr Morrello should be severely reprimanded.

## **Sentencing Order**

- (i) Severe reprimand;
- (ii) Costs of £3,000 to be paid by 12 equal monthly instalments of £250 each starting on 1 June 2017.

## **Decision on publicity**

Publicity with name.

**Non Accountant Chair**

Ms Mary Kelly

**Accountant Member**

Mr Ian Walker FCA

**Non Accountant Member**

Mr Nigel Dodds

**Legal Assessor**

Mr John Trotter

**028627**

**3 Mr Thomas Richard James Williams [FCA] of**  
Bramley Cottage, Town Row Green, Rotherfield, Crowborough, East Sussex, TN6 3QU

**A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 12 April 2017**

**Type of Member** Member

**Terms of complaint**

1. Between 1 January 2012 and 24 August 2016 Mr Thomas Williams FCA engaged in public practice without holding a practicing certificate, contrary to Principle Bye-law 51a.
2. Between 1 January 2012 and 24 August 2016 Mr Thomas Williams FCA engaged in public practice without professional indemnity insurance as required by Regulation 3.1 of the Professional Indemnity Insurance Regulations

Mr Thomas Richard James Williams is therefore liable to disciplinary action under Disciplinary Bye-law 4.1.c in that he has committed a breach of the bye-laws or of any regulations or has failed to comply with any order, direction or requirement made, given or imposed under them.

**Hearing date**

12 April 2017

**Previous hearing date(s)**

None

**Pre-hearing review or final hearing** Final Hearing.

**Complaint found proved** Yes.

**All heads of complaint proven** Yes.

**Sentencing order** Exclusion.

**Procedural matters and findings**

**Parties present** Mr Thomas Williams was not present.

**Represented** Mr Williams was not represented. The Investigation Committee (IC) was represented by Mr James Francis.

**Hearing in public or private** The hearing was in public.

**Decision on service** In accordance with regulations 3-5 of the Disciplinary Regulations, the tribunal was satisfied to service.

**Documents considered by the tribunal** The tribunal considered the documents contained in the IC's bundle together with evidence of Mr Williams' means.

### The IC's case

1. Principle Bye-law 51a provides that a member of ICAEW shall be entitled to engage in public practice in the United Kingdom *"only if he holds a current practising certificate"*, and subject as may be provided in regulations.
2. The version of ICAEW's Council statement on engaging in public practice which was in place at the relevant time (2011 – 2016) provided at paragraph 5 that a member is engaged in public practice if he is a principal and a public practitioner. The statement provided at paragraph 4 that a principal for these purposes means, amongst other things, an individual in sole practice or a partner. At paragraph 4 it also provided that a public practitioner is an entity which provides accountancy services to clients in anticipation of reward where a substantial part of the activities of that entity is the provision of such services.
3. Regulation 3.1 of the Professional Indemnity Regulations (PII Regulations) provides that a firm (which includes a sole practitioner) must arrange for qualifying insurance of the appropriate limits which are set out in the regulations.
4. The defendant was registered as a sole practitioner trading as Williams & Co. On 6 July 2011, the defendant told ICAEW that he intended to retire and would not be renewing his practising certificate or membership of ICAEW.
5. On 15 August 2011, the Quality Assurance Department of ICAEW (QAD) decided to visit Williams & Co.
6. On 14 December 2011, the defendant told ICAEW that his clients had been transferred to his son in law and that he would be a consultant to that practice, *"in reality a liaison officer"*, to use his own words. He remitted a reduced subscription fee and stated that he did not require a practising certificate.
7. The defendant's ICAEW annual return for 2012 states that the defendant cancelled his PII Policy on 31 December 2011.
8. On 18 January 2012, because Williams & Co had ceased to exist (or so it thought), QAD cancelled its intended visit.
9. However, it transpired that contrary to what he had told ICAEW, the defendant continued to offer accountancy services to the public for which he received fees; also, not all his clients had been transferred to his son in law and so he was not simply "a liaison officer". After 31 December 2011, he did this without PII insurance in place.
10. As a result, the defendant has provided accounting services without a practising certificate and without PII Insurance and is therefore liable to disciplinary action in accordance with DBL 4.1 (c).
11. In a letter to ICAEW dated 10 March 2016, the defendant explained that he had been a sole practitioner for many years and he had assumed that he had held a practising certificate. He wrote: *"Having been a sole practitioner for many years, I assumed that I held a certificate; which I must have relinquished; but how and when baffles me. Your enlightenment would be appreciated."* He also said that the clients he continued to service *"are long standing and I continue to enjoy my association."*

12. In a further letter to ICAEW dated 7 April 2016, the defendant set out the fee income which he receives for the services he offered those clients for the three previous years. (It transpired, after a letter dated 20 June was received, that gross fees for the year ended 31 December 2012 were £13,436; 2013, £9,031; 2014, £9,800 and 2015, £7,700). The Defendant stated that he could see the need for a practising certificate, and that Williams & Co does not hold itself out as Chartered Accountants, but Accountants. He mentioned that he was 80 years of age and his accounting work keeps him and his wife (who helps him) occupied.
13. In another letter to ICAEW dated 20 June 2016 (mentioned briefly in the previous paragraph), the defendant said that when he transferred clients to his son in law he had 113 clients, 80 of which were transferred, with “a number” not wishing to be transferred to him. He said he was “only acting as a Consultant to Williams & Co” and he did not think he needed a practising certificate or PII Insurance.
14. In a letter dated 5 July 2016, the Defendant stated that he presumes he is (still) “the legal owner of Williams & Co”. He stated that the accounts, tax returns and weekly administration of the firm are administered by his wife, who receives £120 per week for that service. He also explained that “the invoice figures are declared upon my Tax Return”.

### **Issues of fact and law**

15. The issues are (i) between 1 January 2012 and 24 January 2016, did the Defendant engage in public practice without both a practising certificate and PII insurance, which are required under Principle Bye-law 51a and Regulation 3.1 of the PII regulations, respectively?
16. If so, is the Defendant liable to disciplinary action under DBL 4.1c?
17. The tribunal found the complaint proved.

### **Conclusions and reasons for decision**

18. The Defendant has offered accounting services to the public when he had neither a practising certificate nor PII insurance in place. He did this for a number of years. He also did so having told the ICAEW that he had divested his practice to his son in law and gave the impression that his involvement in accountancy was more in a liaison role than as a practising accountant. This was not correct.
19. There is no doubt that the Defendant required a practising certificate and insurance for the work he continued to do after most of his practice was transferred to his son in law. While the amount of work, and fee income received from it, was modest, that is not a reason to dispense with a practising certificate and insurance.

### **Matters relevant to sentencing**

20. The tribunal considered the *Guidance on Sanctions* and saw no reason to depart from that. It was satisfied that no lesser sanction than the one imposed was appropriate.
21. A mitigating factor is that the defendant had no previous disciplinary record and had been a member of ICAEW since September 1959, some 58 years.
22. Aggravating factors were (i) the Defendant allowing ICAEW to believe in 2011, that he had, in effect, retired from private practice when actually he had not, and doing nothing to correct that impression until pressed to do so by ICAEW some five years later, in 2016; (ii) the risk to which his actions exposed his clients. The tribunal does not consider the fact that the

defendant's practice and fee income was relatively modest since 2012 to be a mitigating factor.

23. It is a matter of regret to the tribunal that a senior member of ICAEW, with nearly 60 years of membership behind him, should end his career as a Chartered Accountant in this way. However, his actions in the Summer of 2011 (when the defendant was in his mid 70s) and also in subsequent years were very serious as they went to the heart of both being accountable to ICAEW and also protecting the public, namely, being licenced to practise and being insured against his professional negligence. Allowing ICAEW to obtain a false impression of what the defendant was doing would also have persuaded the tribunal to have imposed a fine. However, the sanction of exclusion precludes that.

### **Sentencing Order**

Exclusion

Costs in the sum of £2,561.50

### **Decision on publicity**

Publication with name.

**Non Accountant Chair**

Mrs Jane Rees

**Accountant Member**

Mr Philip Coleman FCA

**Non Accountant Member**

Mr Graham Humby

**Legal Assessor**

Mr Dominic Spenser Underhill

**032833**

**4 Mr Doyran Allen David Pawlyn [FCA]** of  
Charlcote, Steels Lane, Oxshott, Leatherhead, KT22 0RF

**A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 12 April 2017**

**Type of Member** Member

**Terms of complaint**

Between 1 May 2011 and 12 September 2013 Mr D A D Pawlyn FCA stole just under £40,000 from 'A' Ltd, his employer.

Mr Doyran Allen David Pawlyn is therefore liable to disciplinary action under Disciplinary Bye-law (DBL) 4.1.a

**Hearing date**

12 April 2017

**Previous hearing date(s)**

None

**Pre-hearing review or final hearing** Final Hearing.

**Complaint found proved** Yes, on admission.

**All heads of complaint proven** Yes.

**Sentencing order** Exclusion.

**Procedural matters and findings**

**Parties present** Mr Pawlyn was not present.

**Represented** Mr Pawlyn was not represented. The Investigation Committee (IC) was represented by Mr James Francis.

**Hearing in public or private** The hearing was in public.

**Decision on service** In accordance with regulations 3-5 of the Disciplinary Regulations, the tribunal was satisfied to service.

**Documents considered by the tribunal** The tribunal considered the documents contained in the IC's bundle together with Mr Pawlyn's Regulation 13 Answers.

## The IC's Case

1. Disciplinary Bye-Law (DBL) 7.1 states that the fact that a *respondent has been found guilty of an indictable offence shall, for the purpose of the DBL, be "conclusive evidence"* of the commission by him of such an act or default cited in DBL 4.1(a).
2. On 13 May 2014, at the Crown Court in Harrow the defendant was found guilty after a trial of four counts of theft (which are indictable offences) amounting to just under £40,000. He was found to have stolen over a substantial period of time commencing on or around 2011 four sums from his then employer which is a company called 'A' Limited. Those sums were £25,368, £1,000, £3,540 and £12,000. He was sentenced to 12 months imprisonment and was ordered to pay compensation of £15,000.
3. This conduct amounts to a breach of DBL 4.1(a)

## Issues of fact and law

4. The defendant admitted the complaint and there were no issues of fact or law to determine.
5. The tribunal found the complaint proved.

## Conclusions and reasons for decision

6. The defendant has been found guilty of four acts of theft against a party while in a position of trust. The thefts were carried out over a considerable period of time. This is obviously very serious misconduct which is wholly unacceptable to ICAEW and its members.

## Matters relevant to sentencing

7. The tribunal considered the *Guidance on Sanctions* and saw no reason to depart from that. It was satisfied that no lesser sanction than the one imposed was appropriate.
8. Mitigating factors are (i) the fact that the defendant had no previous disciplinary record and (ii) his admission of the complaint.
9. Aggravating factors were (i) the defendant's abuse of a position of trust; (ii) the vulnerability of the victim of the theft, as found by the Court; (iii) the repeated acts of dishonesty and (iv) the significant length of time over which the thefts occurred.

## Sentencing Order

1. Exclusion
2. Costs in the sum of £2,000

## Decision on publicity

Publication with name.

### Non Accountant Chairman

Mrs Jane Rees

### Accountant Member

Mr Philip Coleman FCA

### Non Accountant Member

Mr Graham Humby

### Legal Assessor

Mr Dominic Spenser Underhill

**016984**

**5 Mr Andrew Richard Nicholson** of  
Shieling, The Orchard, Staverton, Daventry, Northamptonshire, NN11 6JA

**A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 12 April 2017**

**Type of Member** Former Member (membership ceased 16 January 2017)

**Terms of complaint**

Mr A Nicholson FCA failed to provide by 11 March 2016 the information, explanations and documents requested in a letter dated 24 February 2016 issued under Disciplinary Bye-law 13.

Mr Andrew Nicholson is therefore liable to disciplinary action under Disciplinary Bye-law 4.1.c in that:

he has committed a breach of the bye-laws or of any regulations or has failed to comply with any order, direction or requirement made, given or imposed under them.

**Hearing date**

12 April 2017

**Previous hearing date(s)**

1<sup>st</sup> hearing 20 September 2016 - tribunal adjourned - evidence of hospital appointment  
2<sup>nd</sup> hearing 11 January 2017 - postponed at request of Mr Nicholson - medical evidence

**Pre-hearing review or final hearing** Final Hearing

**Complaint found proved** Yes

**All heads of complaint proven** Yes

**Sentencing order** Severe reprimand; fine of £6,600

**Procedural matters and findings**

**Parties present** Mr Andrew Nicholson was not present.

**Represented** Mr Nicholson was not represented. The Investigation Committee (IC) was represented by Mr James Francis.

**Hearing in public or private** The hearing was in public.

**Decision on service** In accordance with regulations 3-5 of the Disciplinary Regulations, the tribunal was satisfied to service.

**Documents considered by the tribunal** The tribunal considered the documents contained in the Investigation Committee's (IC's) bundle.

## Findings on preliminary matters

Mr Nicholson was not a member of ICAEW at the date of the hearing but he was at the date of the facts which are the subject of complaint. His membership of ICAEW “cessated” on 16 January 2017 which was five days after the re-adjourned hearing of this matter.

## The IC’s case

1. The defendant is under investigation because of a complaint made about him concerning incorrect PAYE payments in June 2015. ICAEW first wrote to the defendant on 18 August 2015; no response was received. It wrote again on 18 September 2015; no response was received. On 7 and 12 October 2015, ICAEW tried to make contact with the defendant by telephone, without success. It wrote again on 20 October 2015, once more without receiving any response. A further letter was sent on 14 December 2015. No response was received to that letter, either.
2. By a letter dated 24 February 2015 (but accepted by the tribunal on the day of hearing that this should have read 24 February 2016), ICAEW gave formal notice to the defendant pursuant to Disciplinary Bye Law (DBL) 13.1, which empowers the IC to serve notice on a member to call for information, explanation and documentation which it considers would enable it to perform its functions. Failure to comply with such notice is a disciplinary offence. That Notice required a response by 11 March 2016. None has been received either before, on or after that date.
3. The defendant’s failure to respond to the DBL 13 request dated 24 February 2016 breaches DBL 4.1(c).

## Issues of fact and law

4. The issue of fact to determine is whether (a) a letter issued under DBL 13 was sent to the defendant and (b) whether the defendant failed to provide the information, explanations and documents requested under it.
5. If those determinations are positive, the remaining issue is whether that amounted to a breach of DBL 4.1c.
6. The tribunal found the complaint proved.

## Conclusions and reasons for decision

7. The defendant failed to provide the information, explanations and documents requested by the IC in its letter dated 24 February 2016 issued under DBL 13.

## Matters relevant to sentencing

8. The tribunal considered the *Guidance on Sanctions* and saw no reason to depart from that. It was satisfied that no lesser sanction than the one imposed was appropriate.
9. The tribunal identified no mitigating factors. Aggravating factors are: (i) the defendant’s previous disciplinary record (see below); (ii) his complete lack of engagement with the IC both before and after these proceedings commenced; (iii) the seriousness of the underlying issues and (iv) the fact that the interests of a member of the public are engaged in this matter and are being compromised by the defendant’s unwillingness to co-operate with his regulator.
10. The defendant has a previous disciplinary record. On 1 December 2015, the defendant was given a severe reprimand, was fined £500 and subject to a remedial order. He was also ordered to pay costs. The reason was that he had failed to respond to a DBL 13 notice and

had breached DBL 4.1(c). Secondly, on 3 May 2016, the defendant was given a severe reprimand and was subject to a remedial order. He was ordered to pay costs.

11. The reason why the defendant's membership of ICAEW ceased in January 2016 was because he had failed to pay the sums, or some of them, that he had been ordered to pay. The tribunal would have had no hesitation in excluding the defendant from membership of ICAEW had he been a member at the time of the hearing.

### **Sentencing Order**

1. Severe reprimand
2. Fine of £6,600
3. Costs £3,184.67

### **Decision on publicity**

Publication with name.

**Non Accountant Chairman**

Mrs Jane Rees

**Accountant Member**

Mr Philip Coleman FCA

**Non Accountant Member**

Mr Graham Humby

**Legal Assessor**

Mr Dominic Spenser Underhill

**033027**

**6 Mr Andrew James Wilson FCA of**

Assets Limited, Chiltern Chambers, St Peters Avenue, Caversham, Reading, RG4 7DH

**A tribunal of the Disciplinary Committee made the decision recorded below having heard a formal complaint on 29 March 2017**

**Type of Member** Member

**Terms of complaint**

Mr Andrew Wilson FCA failed to provide by 23 June 2016 the information, explanations and documents requested in a letter dated 7 June 2016 issued under Disciplinary Bye-law 13.

Mr Andrew Wilson FCA is therefore liable to disciplinary action under Disciplinary Bye-law 4.1c.

Disciplinary Bye-law 4.1c states:

4.1 A member or provisional member shall be liable to disciplinary action under these bye-laws in any of the following cases, whether or not he was a member or provisional member at the time of the occurrence giving rise to that liability:

c. if he has committed a breach of the bye-laws or of any regulations or has failed to comply with any order, direction or requirement made, given or imposed under them.'

**Hearing date**

29 March 2017

**Previous hearing date(s)**

None

**Pre-hearing review or final hearing** Final Hearing

**Complaint found proved** Yes, on admission

**All heads of complaint proven** Yes

**Sentencing order** (i) Severe reprimand; (ii) fine of £4,000; (iii) direction to comply.

**Procedural matters and findings**

**Parties present** Mr Andrew James Wilson was present.

**Represented** Mr Wilson represented himself. The Investigation Committee (IC) was represented by Ms Theresa Thorp

**Hearing in public or private** The hearing was in public.

**Decision on service**

In accordance with regulations 3-5 of the Disciplinary Regulations, the tribunal was satisfied as to service.

**Documents considered by the tribunal**

The tribunal considered the documents contained in the IC's bundle together with evidence of Mr Wilson's means.

**The IC's case**

1. In August 2011, the Quality Assurance Department (QAD) visited the defendant's practice when breaches of the Anti-Money Laundering Regulations 2007 and ICAEW's client money regulations were identified. As a result, the defendant gave a written assurance that his firm would take remedial steps to put those right. However, he failed to do so.
2. ICAEW wrote to the defendant about these matters on 13 July 2015, 4 August 2015, 3 September and 14 September 2015 but received no substantive reply to any of these letters. It wrote again on 24 September 2015, on that occasion giving formal notice under Disciplinary Bye-Law (DBL) 13 requiring responses to the outstanding correspondence by 8 October 2015.
3. Then, new matters came to light about the defendant's conduct which required additional investigation, and ICAEW wrote to the defendant about those on 13 October 2015. However, no reply was received to that letter. ICAEW wrote again on 2 November and 11 November 2015 but still there was no answer. It wrote again on 30 November 2015, invoking its power under DBL 13. No reply to that letter was received either.
4. The failure to respond to the two DBL 13 requests were referred to the Disciplinary Committee, since failing to respond to a DBL request is a disciplinary matter. Those complaints were due to be heard by the Disciplinary Committee on 10 May 2016. However, on that day it came to the IC's attention that the address used by ICAEW when corresponding with the defendant had been incomplete – in short the postal address was correct except that the name of the defendant's firm was missing. The tribunal on that day declined to proceed with the hearing of the complaint and the matter was referred to the IC so fresh letters with the correct address could be sent out. This was explained to the defendant in a letter dated 18 May 2016. Still, however, no response was received from the defendant. Accordingly, on 7 June 2016 a third notice under DBL 13 was sent to the defendant. He was given until 23 June 2016 to respond to that notice. It is that notice which is the subject matter of this complaint.
5. The Defendant failed to comply with the DBL 13 notice at any time.
6. The failure to respond to the DBL 13 notice dated 7 June 2016 by the date stipulated in it, or at all, is a breach of DBL 4.1(c).

**Issues of fact and law**

7. The defendant admitted the complaint and so there were not issues of fact or law to determine.
8. The relevant standard of proof is the balance of probabilities.
9. The tribunal found the complaint proved on the defendant's admission.

## Conclusions and reasons for decision

10. The defendant has failed to respond to a proper notice given to him by his regulator requiring information to be given about serious matters relating to his conduct, including matters about compliance with the Anti-Money Launder Regulations 2007, the client money regulations and the receipt by his firm of commissions. For ICAEW to regulate effectively and to ensure that proper professional standards are maintained, it is entitled to rely on the co-operation of its members when investigating matters. In this case, the defendant has failed entirely to co-operate with legitimate enquiries. The tribunal was not impressed by the defendant's response of "I cannot remember", when asked at the hearing why he did not respond to the letter dated 7 June 2016, or by his remark that he could not be sure that he had read the letter.

## Matters relevant to sentencing

11. The tribunal considered the *Guidance on Sanctions* and saw no reason to depart from that. It was satisfied that no lesser penalty than the one imposed was appropriate.
12. The tribunal considered there to be no mitigating factors to take into account.
13. Aggravating factors were: (i) the seriousness of the underlying issues which ICAEW has been trying to investigate; (ii) the defendant's complete lack of co-operation and (iii) his previous disciplinary record (as to which see below).
14. On 5 June 2013, the defendant received an unpublished caution for failing to have appropriate PII. Secondly, on 9 December 2014, the defendant was reprimanded and fined £2,500 for failing to obtain and submit the results of external hot file reviews within one month of the completion of four matters in breach of conditions and restrictions imposed on his firm's audit registration. Both these matters are not directly on point with the current complaint, but they demonstrate a lack of professional discipline and are not stale.

## Sentencing Order

- (i) Severe reprimand
- (ii) Fine of £4,000
- (iii) Costs in the sum of £1,399

In addition, the defendant **IS DIRECTED** pursuant to DBL 24.1(c) to provide to ICAEW by 16.00hrs on Friday 28 April 2017, the information, explanations and documents requested in the letter dated 7 June 2016 which is the subject matter of this complaint.

## Decision on publicity

Publication with name.

### Non Accountant Chairman

Mr Peter Williamson

### Accountant Member

Mr Ian Walker

### Non Accountant Member

Ms Martha Maher

### Legal Assessor

Mr Dominic Spenser Underhill

**030476**

## CESSATION OF MEMBERSHIP

- 7 The following individual has ceased to be a member because of failure to pay outstanding fines and costs:

**Mr Andrew Nicholson of Staverton, Daventry**

The ICAEW takes all necessary steps including legal proceedings to recover the money it is owed.

## INVESTIGATION COMMITTEE CONSENT ORDERS

**8 Mrs Catherine Elizabeth Smith**

Consent order made on 5 June 2017

With the agreement of Mrs Catherine Elizabeth Smith of 3 Campsie View Drive, Blanefield, Glasgow, G63 9JE, the Investigation Committee made an order that she be reprimanded and pay costs of £1,030 with respect to a complaint that:

On 23 June 2013 Mrs Catherine Elizabeth Smith drove a motor vehicle after consuming alcohol in excess of the prescribed limit.

**036369**

---

**9 Edwards Accountants (Midlands) Limited**

Consent order made on 5 June 2017

With the agreement of Edwards Accountants (Midlands) Limited of Harmony House, 34 High Street, Aldridge Walsall, WS9 8LZ, the Investigation Committee made an order that the firm be severely reprimanded, fined £21,600 and pay costs of £6,955 with respect to a complaint that:

1. On 27 May 2015 Edwards Accountants (Midlands) Limited issued an audit report on the financial statements of X PLC for the year ended 31 December 2014, in breach of Audit Regulation 3.10, in that the audit was not conducted in accordance with International Standards on Auditing (UK and Ireland) including:
  - a. International Standard on Auditing (UK and Ireland) 210 'Agreeing the terms of audit engagements' in that the auditor failed to withdraw when the preconditions for the audit were not present.
  - b. International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit opinion in respect of:
    - i intangible fixed assets (group and parent);
    - ii debtors (group and parent);
    - iii investments (parent);
    - iv deferred tax (group); and
    - v going concern (group).

- c. International Standard on Auditing (UK and Ireland) 600 'Special Considerations – Audit of Group Financial Statements (including the Work of Component Auditors)' in that the firm failed to:
  - assess the component auditors competence; and
  - ensure that the engagement team was involved in the work of the component auditor to the extent necessary to obtain sufficient appropriate audit evidence.
2. On 28 August 2015, Edwards Accountants (Midlands) Limited issued an audit report on the financial statements of X PLC for the year ended 31 March 2015, in breach of Audit Regulation 3.10, in that the audit was not conducted in accordance with International Standards on Auditing (UK and Ireland) including:
  - a. International Standard on Auditing (UK and Ireland) 210 'Agreeing the terms of audit engagements' in that the auditor failed to withdraw when the preconditions for the audit were not present.
  - b. International Standard on Auditing (UK and Ireland) 500 'Audit Evidence' in that the auditor failed to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit opinion in respect of:
    - i intangible fixed assets (group and parent);
    - ii deferred tax (group); and
    - iii going concern (group).

**029453**

---

#### **10 Mr John Graham Hart Stuckey FCA**

Consent order made on 12 June 2017

With the agreement of Mr John Graham Hart Stuckey of 12 The Wharf, 16 Bridge Street, Birmingham B1 2JS, the Investigation Committee made an order that he be severely reprimanded, fined £1,300 and pay costs of £742 with respect to a complaint that:

Mr J G H Stuckey FCA failed to provide by 18 July 2016 the information, explanations and documents requested in a letter dated 11 May 2016 issued under Disciplinary Bye-law 13.

**032990**

---

#### **11 Crowe Clark Whitehill LLP**

Consent order made on 12 June 2017

With the agreement of Crowe Clark Whitehill LLP of St Bride's House, 10 Salisbury Square, London, EC4Y 8EH, the Investigation Committee made an order that the firm be severely reprimanded, fined £20,000 and pay costs of £4,492 with respect to a complaint:

That Crowe Clark Whitehill LLP failed to comply with the requirements of section 1214 of Companies Act 2006 in that the firm acted as statutory auditor and issued a total of 30 audit reports in respect of the following companies contrary to Audit Regulation 3.04 when it was ineligible to do so in that:

- i. A partner of the firm was a director of two audit clients.
- ii. The firm also held the office of company secretary for 10 companies.
- iii. A partner was a director of one audit client and the firm also held the office of company secretary.

**029741**

**12 Mr Martin Regan FCA**

Consent order made on 12 June 2017

With the agreement of Mr Martin Regan of Carrick House, Lypiatt Road, Cheltenham, Gloucestershire, GL50 2QJ, the Investigation Committee made an order that he be severely reprimanded, fined £8,000 and pay costs of £1,367 with respect to a complaint that:

Mr Martin Regan FCA issued 30 audit reports in the name of his firm, Crowe Clark Whitehill LLP, when the firm was ineligible to act as auditor under section 1214 of Companies Act 2006, as a partner of the firm was a director and/or the firm held the office of company secretary.

**035343**

**13 Mr Richard Austin ACA**

Consent order made on 14 June 2017

With the agreement of Mr Richard Austin of Carrick House, Lypiatt Road, Cheltenham, Gloucestershire, GL50 2QJ, the Investigation Committee made an order that he be severely reprimanded, fined £8,000 and pay costs of £1,305 with respect to a complaint that:

- 1. Between 17 April 2012 and 14 July 2015, Mr R Austin ACA failed to inform his firm/ethics partner (through his annual declarations or otherwise) of circumstances that could adversely affect the firm's objectivity and independence in acting as auditor of the following financial statements, causing his firm to be in breach of APB Ethical Standard 1 and Audit Regulation 3.04.

- i Mr Austin was a director of the audit client

Company	Year end	Date breach began	Date breach ended
X Limited	31 December	10 Jul 2013	25 Feb 2014
Y Limited	31 December	30 April 2015	14 July 2015

- ii Mr Austin was a director of the audit client and the firm also held the office of company secretary

Company	Year end	Date of appointment	Date of resignation
Z Ltd	31 December	17 April 2012	5 Jan 2015

---

**035342**

**14 Mr Brian Michael O’Leary FCA**

Consent order made on 22 June 2017

With the agreement of Mr Brian Michael O’Leary of Chase Green House, 42 Chase Side, Enfield, Middlesex, EN2 6NF, the Investigation Committee made an order that he be reprimanded, fined £1,300 and pay costs of £2,630 with respect to a complaint that:

Mr Brian Michael O’Leary FCA, acting on behalf of Brian Paul Limited

- a. failed to issue a Certificate of Compliance to Mr and Mrs X between 20 August 2015 and 27 January 2016; and
- b. failed to issue a share certificate between 20 August 2015 and 24 February 2016 to Mr and Mrs X.

---

**032263**

## AUDIT REGISTRATION COMMITTEE

### ORDER – 12 APRIL 2017

#### 15 Publicity Statement

The registration as company auditor of J.W. Ridgeway & Co, 106a High Street, Chesham, HP5 1EB, was withdrawn on 16 May 2017 under audit regulations (AR) 7.03g and 7.03h of the *Audit Regulations and Guidance* as a result of:

- the firm's failure to submit the results of external hot file reviews of its next two audits carried out (a breach of a condition imposed under AR 7.01); and
- the failure to respond to ICAEW correspondence (a breach of AR 2.08).

The responsible individual status of Mr J W Ridgeway was also withdrawn under AR 4.08e.

---

031875

### ORDER – 12 APRIL 2017

#### 16 Publicity Statement

Latham Costa Limited, 8a Park Street, Lytham St. Annes, Lancashire, FY8 5LU, has agreed to pay a regulatory penalty of £1,000, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 3.11 for failing to keep audit working papers for a period of at least six years.

---

037588

### ORDER – 17 MAY 2017

#### 17 Publicity Statement

Wilds Ltd, Lancaster House, 70-76 Blackburn Street, Radcliffe, Manchester, M26 2JW, has agreed to pay a regulatory penalty of £500, which was decided by the Audit Registration Committee. This was in view of the firm's admitted breach of audit regulation 2.03b for failing to ensure that the majority of the firm's voting rights were held by audit qualified individuals or registered auditors.

---

038569

All enquiries to the Professional Conduct Department, T +44 (0)1908 546 293